

H.878

Introduced by Representatives Cina of Burlington, Buckholz of Hartford,  
Chesnut-Tangerman of Middletown Springs, Colburn of  
Burlington, Gonzalez of Winooski, Haas of Rochester, Jessup  
of Middlesex, and Weed of Enosburgh

Referred to Committee on

Date:

Subject: Government operations; State funds; management

Statement of purpose of bill as introduced: This bill proposes to authorize the  
deposit of State funds in credit unions and directs State actors to explore  
opportunities to conduct State financial activities with local financial  
institutions.

An act relating to local management of State funds

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 431 is amended to read:

§ 431. DEPOSITORIES OF STATE FUNDS

(a) The Treasurer and the Governor shall select the banks and credit unions  
in which the funds of the State Treasury shall be deposited. Each agency or  
department of the State shall be required to obtain the approval of the  
Treasurer to establish and maintain ~~a bank~~ an account of a selected bank or

1 credit union as well as develop procedures, approved by the Treasurer, to  
2 reconcile ~~a bank~~ an account.

3 \* \* \*

4 Sec. 2. 32 V.S.A. § 431a is added to read:

5 § 431a. STATE FUNDS; LOCAL FINANCIAL INSTITUTIONS

6 The Treasurer and all State agencies and departments:

7 (1) shall actively explore opportunities to deposit funds under section  
8 431 of this title, make investments pursuant to sections 433 and 434 of this  
9 title, and hold tax revenues, fees, and other State monies collected on behalf of  
10 the State in or through local Vermont financial institutions; and

11 (2) may give priority to local Vermont financial institutions when  
12 selecting providers of these services.

13 Sec. 3. EFFECTIVE DATES

14 (a) This section and Sec. 1 shall take effect on passage.

15 (b) Sec. 2 shall take effect on January 1, 2019.